

*The*  
**LAWRENCE GROUP**  
Nashville, Tennessee  
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November 19, 2008

Carol Ann Wehle  
Executive Dir. South Florida Water Management District  
3301 Gun Club Road  
West Palm Beach, FL 33406

**Executive Office**  
**NOV 20 2008**

Dear Mrs. Wehle:

My name is Gaylon Lawrence Jr., and together with my father Gaylon Lawrence Sr., we do business as The Lawrence Group. Today we are proposing to acquire all of the shares of U.S. Sugar for \$300 per share in cash. We are hopeful that the Board of U.S. Sugar will determine that our offer is in the best interests of U.S. Sugar's shareholders and immediately enter into discussions with us to negotiate a transaction for the benefit of all shareholders; however, we also want to let you know that we are preparing to take our offer directly to the U.S. Sugar shareholders in the coming weeks.

Our offer is purely a business decision made within the normal process of analyzing an acquisition candidate. U.S. Sugar's assets and businesses fit well with our current operations, which include farmland and citrus groves that already make us one of the largest owners of agricultural properties in the United States.

Although this decision was made for business reasons, we understand and respect the broader spectrum of issues surrounding U.S. Sugar and the Everglades restoration project. Recently, we met with SFWMD staff to discuss cooperative solutions to restoring the flow between Lake Okeechobee and the Everglades. Our offer contemplates selling you the land needed to accomplish this worthy undertaking at a huge savings to the taxpayers when compared to the current U.S. Sugar proposal.

From a human perspective, we currently plan to continue operating U.S. Sugar for decades to come. This will ensure jobs and contribute to the economic vitality of the communities located in and around the agricultural area south of Lake Okeechobee. Our proposal removes the cloud of uncertainty regarding U.S. Sugar's future and the potential significant job losses that could occur after the land was to be transferred to the state.

Already, home values have dropped precipitously in the communities south of Lake Okeechobee, something that is certain to worsen. It will not become a question of what a home sells for, but whether it can be sold at all! The extension of that issue is the destruction of the local tax base. City and county governments already struggling with difficult budget issues will be faced with an impossible task of providing essential governmental services. Our offer not only addresses that problem, but also solves it.

We believe that our proposal will enable you to accomplish your goals and would also be much less expensive for you to implement.

The reality is that people deserve consideration. It is important to note that farmers in the area south of Lake Okeechobee have done an excellent job working with the South Florida Water Management District to accomplish environmental goals and contribute towards Everglades restoration.

People and the environment can live side-by-side as long as all parties recognize their responsibilities. As owners and operators of large farming operations, we well understand the importance of environmental issues associated with farming. May I assure you that you will find us to be responsible landowners and farmers who are willing to cooperate in every way possible with all parties interested in protecting the Everglades.

This is not the first time we have made an offer for U.S. Sugar. Twice before, in 2005 and 2007, we made offers to acquire the company. Our interest is exactly the same now as it was then—farming the land profitably and responsibly. We have the resources to accomplish this transaction and are ready to move forward as quickly as possible.

This deal is a 'win-win' for everyone, including the shareholders, employees, surrounding communities and citizens of Florida, and is superior to the one being discussed with the State on several fronts. First, under our proposal, U.S. Sugar shareholders will receive a generous cash offer for their shares; second, we fully intend to preserve jobs and invest in the company for years to come; and lastly, we are committed to work closely with your staff to make available the acreage needed to restore the flow of water between Lake Okeechobee and the Everglades.

We look forward to sitting down with you and staff to help create a restoration project we can all be proud of. Should you have any questions for me, feel free to email me at [thelawrencegrp@gmail.com](mailto:thelawrencegrp@gmail.com).

Sincerely,



Gaylon Lawrence Jr.

Cc: South Florida Water Management District Board of Governors and Carol Ann Wehle,  
Executive Director

**Press Release Source:** The Lawrence Group

# **Lawrence Group Makes Offer to Acquire U.S. Sugar for \$300 Per Share in Cash**

Thursday November 20, 2008, 10:30 am EST

NASHVILLE, Tenn.--(BUSINESS WIRE)--The Lawrence Group, lead by Gaylon Lawrence, Sr. and son Gaylon Lawrence, Jr., one of the nation's largest owners of farm land, announced a \$300 per share acquisition proposal to the shareholders of Clewiston-based U.S. Sugar Corporation. Major U.S. Sugar shareholders include the U.S. Sugar Employee Stock Ownership Plan, Charles Stewart Mott Foundation, Mott Children's Health Center, Flint Community Foundation and Mott family members.

"This deal is a 'win-win' for everyone including the environment, the South Florida Water Management District, shareholders, employees, surrounding communities and citizens of Florida," said Gaylon Lawrence, Jr. "Our offer is far superior to the one management of U.S. Sugar is trying to sell to the state – on several fronts. U.S. Sugar shareholders will receive \$300 cash for their shares at closing, which if invested in investment grade corporate bonds, would yield more than \$500 by the end of 2016 – without uncertainty."

In a memo to employees dated November 11, 2008, U.S. Sugar management claimed its most recent offer to the South Florida Water Management District would provide shareholders with as much as \$365 per share by 2016. In reality, this plan locks them in for eight years, without giving individual shareholders the ability to sell their shares. Finally, it gives no assurances as to what those shares will be worth once the land is transferred to the state.

The Lawrence acquisition proposal, on the other hand, offers shareholders \$300 per share, guaranteed. It also assures the employees and surrounding communities that U.S. Sugar will continue operating as a going concern for years to come. This will most certainly preserve jobs and help stabilize home values.

Previously, the Lawrences made bids of \$293 per share to buy U.S. Sugar, once in 2005 and again in 2007, but those offers were both rejected by the board of directors without informing the shareholders. This time, the Lawrences are appealing to the shareholders directly with hopes they will recognize the generous \$300 per share purchase price while also providing that the company will operate well beyond 2016.

In environmental terms, the Lawrence and state proposals both help accomplish Governor Crist's goal of restoring the north-south hydrology between Lake Okeechobee and the Everglades, with two major differences. First, U.S. Sugar's 181,000-acre land purchase proposal has the state acquiring tens of thousands of acres over and above what the South

Florida Water Management requires to meet its goals. The Lawrence proposal will cost taxpayers a fraction of the \$1.34 billion price tag. Secondly, it will preserve the jobs of the employees and contribute to the economic vitality of the local communities located south of Lake Okeechobee.

“We are committed to selling the land that the South Florida Water Management District needs to build this worthy project,” said Lawrence, Jr. “It is still a complex work-in-progress, one we are fully committed to accomplishing as stewards of the land.”

The deal is expected to close in 2009.

**About The Lawrence Group:** The Lawrence Group is a d/b/a representing the holdings of Gaylon Lawrence, Sr. and Gaylon Lawrence, Jr. The Lawrences have more than 75 years experience operating large farming enterprises. They own and manage one of the largest row crop farming enterprises in the country, including land in Illinois, Missouri, Arkansas, Mississippi and Florida. Florida holdings include one of the state’s largest grove ownerships and a packing plant owned and operated by Premier Citrus. In addition, the Lawrences own air conditioning distributorships covering California, Nevada, Utah, Idaho and Florida. They also own five community banks with 15 offices in small towns located in northeast Arkansas, southeast Missouri and Tennessee.

## **Contact:**

For The Lawrence Group  
Boardroom Communications  
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PRESS RELEASE

## **Statement by The Lawrence Group Regarding Offer to Acquire U.S. Sugar Corp.**

Last update: 2:39 p.m. EST Nov. 20, 2008

NASHVILLE, Tenn., Nov 20, 2008 (BUSINESS WIRE) -- The following is a statement issued on behalf of The Lawrence Group by Todd Templin - spokesman for The Lawrence Group, in response to reaction to today's press release regarding offer to acquire U.S. Sugar Corp.:

"Some in the media have characterized the offer of the Lawrences to acquire U.S. Sugar as hostile. This is not a hostile bid. U.S. Sugar has already publicly stated it was selling virtually all of its assets, even announcing that a final distribution would be paid to shareholders in 2016 upon sale of the remaining assets at that time. They have already determined to sell their assets. Our offer is in response to their announcement. What is important to the shareholders of U.S. Sugar is that under our offer they will receive a much higher price.

"From our perspective we believe that as a result of their decision to sell, U.S. Sugar should appreciate an option that provides the highest possible return to their shareholders. Let the shareholders decide."

Todd Templin

Spokesman for The Lawrence Group

SOURCE: The Lawrence Group

For The Lawrence Group

Boardroom Communications

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## **PRESS STATEMENT**

### **U.S. Sugar Corp. Statement regarding The Lawrence Group**

*Released: November 20, 2008*

Clewiston, FL — November 20, 2008 — In response to a news story about interest expressed by The Lawrence Group in acquiring U.S. Sugar Corp., Senior Vice President of Public Affairs, Robert Coker said:

No actual offer has been received. Our directors and some of our stockholders have received a letter from The Lawrence Group expressing its interest in acquiring all the stock of U.S. Sugar Corporation. As would be the case with any such proposal, our Board of Directors will carefully review it with its professional advisors and the Company's management team. To facilitate its review, the Board's financial advisor will request The Lawrence Group to provide specific details to enable it to evaluate the proposal. The Board's goal is to be in a position to give fully informed consideration to the potential transaction, consistent with its fiduciary obligations to represent the interests of the stockholders, and to compare the merits of the proposal with the transaction currently being negotiated with the South Florida Water Management District, as well as any other proposals that may be received. Our directors are continuing to review and evaluate the alternatives available to the Company and its stockholders, and look forward to an orderly, measured, and considered process that will result in a transaction that is in the best interests of the Company and its stockholders.

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